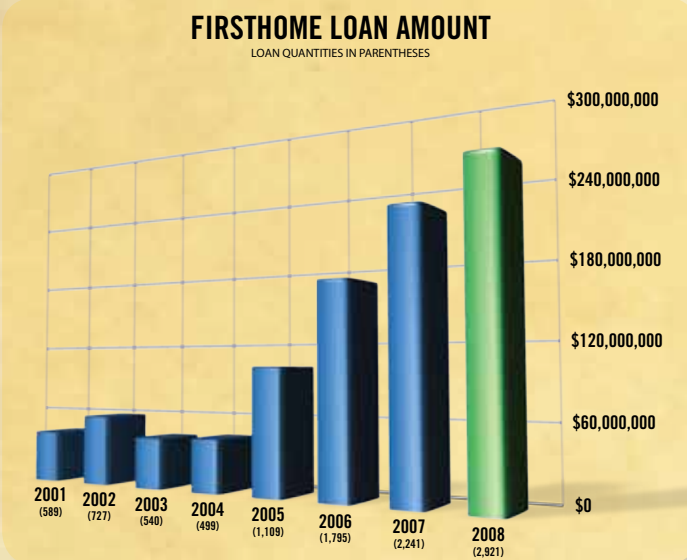


HOUSING IOWA HOMEOWNERSHIP

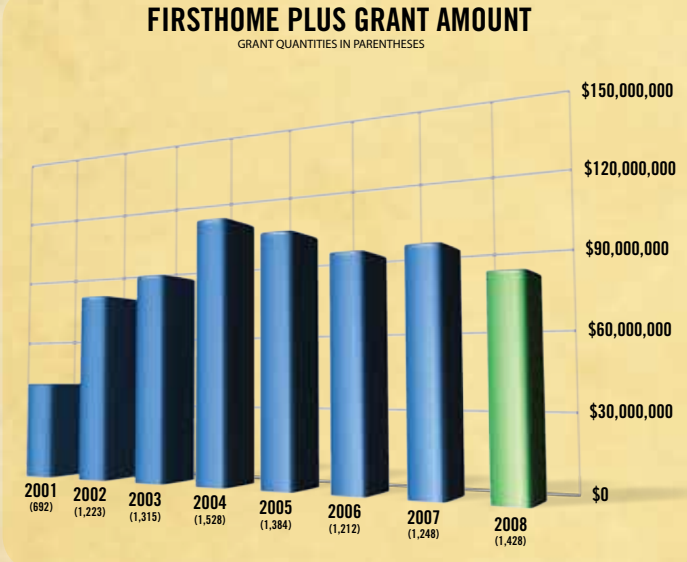
FirstHome Program

The FirstHome program provides low-cost mortgage financing to first-time home buyers in Iowa. The flexibility of this public/private partnership helps to finance mortgages on new and existing single-family homes. Mortgage loans are provided to borrowers through a network of participating lenders across the state.



FirstHome Plus Program

IFA's FirstHome Plus program provides first-time home buyers (with income of \$46,800 or less) affordable mortgage financing plus cash assistance of up to \$2,500 to help with closing costs, down payment or minor repairs.



In fiscal year 2008, IFA's FirstHome and FirstHome Plus programs provided:

- More than \$250 million awarded through the FirstHome and FirstHome Plus programs
- Nearly 3,000 FirstHome program loans and grants
- 157 FirstHome loans to minority households
- The program served individuals in 97 counties

Military Service Member Homeownership Assistance Program

The Military Service Member Homeownership Assistance program, created by the Iowa Legislature in 2005 and jointly administered with the Iowa Department of Veterans Affairs, provides up to \$5,000 toward the down payment and closing costs of a home. The grants are available to current and former National Guard, Reserve and Active Duty armed services personnel who have served in support of the war on terrorism.

In fiscal year 2008:

- Helped 561 military families purchase homes
- \$2,628,176 in grants
- Grants made in 69 counties

NewHome Construction Program

This program allows qualified entities to borrow funds to build new single-family homes. The organization may use the funds or lend them to local contractors.

In fiscal year 2008, IFA provided:

- \$542,000 in loans to support home construction throughout the state

OurHome Rehabilitation Program

Through the OurHome Rehabilitation program, Iowa Finance Authority offers low-interest loan funds for use by qualifying entities to rehabilitate single-family homes in their communities.

Throughout 2008, IFA made available:

- \$56,920 in loans for the rehabilitation of Iowa homes

Jumpstart Iowa Housing Assistance Program

Jumpstart targets the financial needs of Iowans affected by the natural disasters of 2008. The housing program assists homeowners in making a down payment on a new house, repairing their current home, or by providing interim mortgage assistance.

In the fall of 2008, IFA allocated \$20 million in state funds to eligible homeowners.

RuralHome Program

The RuralHome program is a subsidy program that provides \$3,000 for down payment and closing costs for first-time home buyers in communities with populations of 25,000 or less. Funding is provided through a grant received by IFA in partnership with Union State Bank in Winterset from the Federal Home Loan Bank.

In fiscal year 2008, IFA helped:

- 39 homeowners totaling \$117,000
- Grants made in 23 counties
- 123 of the recipients were at or below 50 percent of the Area Median Income (AMI); the remaining 16 were at or below 60 percent AMI

Iowa Mortgage Help



Iowa Mortgage Help assisted Zakiya Jenkins of Des Moines in keeping her home

Iowa Mortgage Help, formed in February of 2008, provides free mortgage counseling resources to Iowans. The initiative is funded primarily with grant monies received by IFA from the National Foreclosure Mitigation Counseling Program, administered by NeighborWorks® America.

The program's goal is to motivate homeowners to seek help by calling the Iowa Mortgage Help program at 877-622-4866 and visiting www.IowaMortgageHelp.com. Since its inception, the hotline has received more than 12,000 calls and provided approximately 3,500 Iowans with confidential, individualized counseling to best address their financial situation.

IFA partners include the Iowa Office of the Attorney General, The Iowa Home Ownership Project, Iowa Mediation Service, Iowa Legal Aid and Strategic America.

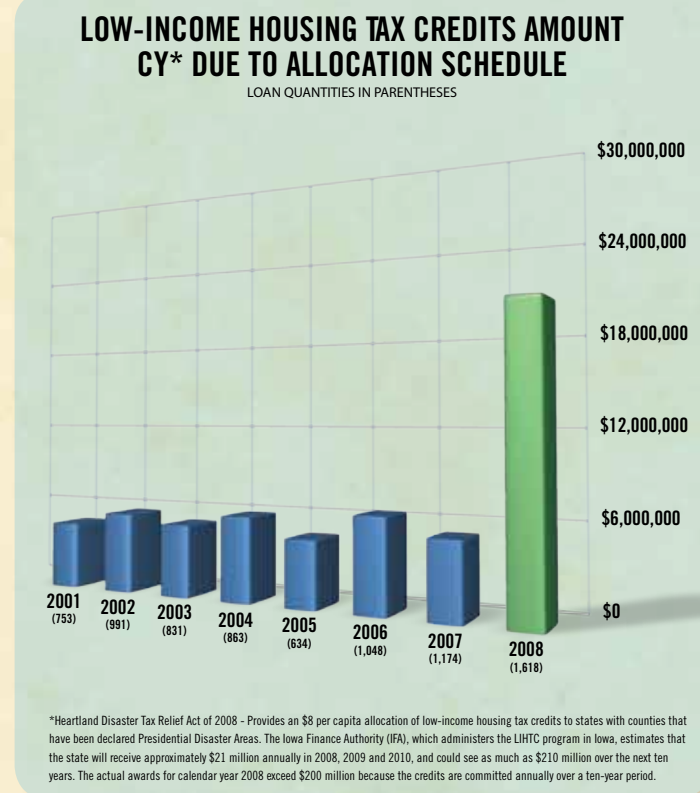
HOUSING IOWA AFFORDABLE RENTAL PRODUCTION

Low-Income Housing Tax Credit Program



The Rose of Waterloo Senior Residences

Iowa Finance Authority has served as the tax credit allocating agency for the State of Iowa since 1985. The tax credit program provides an incentive to developers to construct, acquire or substantially rehabilitate qualified residential rental property. It provides a dollar-for-dollar reduction (or credit) to offset an owner's federal tax liability on ordinary income. The housing must include units for individuals or families that have an income that is 60 percent or below the Area Median Gross Income.



*Reauthorized Disaster Tax Relief Act of 2008 - Provides an \$8 per capita allocation of low-income housing tax credits to states with counties that have been declared Presidential Disaster Areas. The Iowa Finance Authority (IFA), which administers the LHTC program in Iowa, estimates that this state will receive approximately \$21 million annually in 2008, 2009 and 2010, and could rise as high as \$21.5 million over the next ten years. The actual awards for calendar year 2008 exceed \$20 million because the credits are concentrated annually over a ten-year period.

Fiscal Year 2008 Loans	Affordable Housing Units
Berry Court, Iowa City	\$1,184,610 14
Canterbury Park III Apartments, Pleasant Hill	\$5,397,540 72
Cedar Manor Apartments, Boone	\$933,360 24
Creston Plaza Apartments, Creston	\$2,383,240 24
Deer Ridge V Apartments, Des Moines	\$5,546,580 71
Hearthland Homes, Council Bluffs	\$1,856,030 16
Jefferson Point 11, North Liberty	\$3,014,010 30
RiverWalk Lofts, Davenport	\$5,892,370 42
South View Senior Center, Des Moines	\$4,658,820 40
Stockbridge Apartments, Des Moines	\$5,021,930 42
The Rose of East Des Moines, Des Moines	\$7,976,750 64
Town Square Apartments, Fort Dodge	\$3,104,260 24
Total	\$46,969,500 463

Affordable Assisted Living Program

Through the Affordable Assisted Living program, IFA provides resources to consumers, operators and developers. The program allows seniors to remain in an independent, homelike environment while accessing services needed to promote ongoing health and well-being.

Fiscal year 2008 accomplishments:

- Creation of Affordable Assisted Living Web site

Aftercare Rent Subsidy Program

Youth aging out of foster care need support to attain self-sufficiency. This subsidy helps youth participating in the Aftercare Services program to learn life skills and responsibilities.

Fiscal year 2008 accomplishments:

- Total subsidies issued: \$66,316
- Served approximately 50 individuals

Home- and Community-Based Services Rent Subsidy Program

This subsidy program helps recipients live successfully in their own home and community, and may be used until they become eligible for other local, state or federal rent assistance. Recipients must currently be receiving services from the Home- and Community-Based Service Waiver program and be at risk of nursing facility placement.

In fiscal year 2008, IFA provided:

- Over \$598,730 in subsidies were granted to 565 individuals

Multifamily Housing Loan Program

The Iowa Finance Authority's Multifamily Housing Loan program seeks to maintain and encourage the supply of affordable rental units in Iowa.

Fiscal Year 2008 Loans	Affordable Housing Units
Affordable Housing Network, Cedar Rapids	\$750,000 244
Area XV Apartments, Ottumwa/Bloomfield	\$200,000 28
Berry Court, Iowa City	\$200,000 14
Corinthian Gardens, Des Moines (two loans)	\$3,265,000 75
Midwest Housing (various counties)	\$500,000 Various
Salisbury Court, Council Bluffs	\$387,700 18
St. Mary's Apartments, Dubuque	\$3,750,000 79
Weich Apartments, Muscatine (two loans)	\$697,000 20
Total	\$9,749,700 more than 478

Senior Living Revolving Loan Fund

This revolving loan fund provides first mortgage financing to recipients of Low-Income Housing Tax Credits for the construction of affordable assisted-living facilities for persons with disabilities.

In fiscal year 2008, IFA:

- Closed one loan: Skyline Center, Clinton, \$245,000

State Housing Trust Fund

The State Housing Trust Fund (SHTF) was granted permanent funding by the Legislature in 2008. This initiative allocates funding through two programs. The Local Housing Trust Fund (LHTF) program received 60 percent of the SHTF allocation to provide grants for communities, counties and organizations that wish to create a Local Housing Trust Fund. The remaining 40 percent goes to the Project-Based Housing program that aids the development and rehabilitation of single-family and multifamily housing in areas not covered by a LHTF.

In fiscal year 2008, Local Housing Trust Fund (LHTF) program awarded:

- 16 grants totaling \$1,942,202

In fiscal year 2008, Project-Based Housing program awarded:

- 22 grants totaling \$1,711,400



The Sanctuary Apartments in Sioux City

HousingIowa.org

IFA created www.HousingIowa.org as a service to Iowans seeking affordable, decent housing. This resource becomes crucial when natural disaster impacts Iowa, as it did in 2008, leaving thousands in need of housing.

Iowa Council on Homelessness

IFA is the administering agency for the Iowa Council on Homelessness. The Council members work to identify issues, raise awareness and secure resources that will allow homeless Iowans to become self-sufficient. The Council, codified by Senate File 2161 in 2008, is made up of 38 voting members from across the state and includes representatives of state and local governments, nonprofits, advocates, and homeless or formerly homeless individuals.

In fiscal year 2008:

- Reviewed and funded 121 Emergency Shelter Grant (ESG) and Homeless Shelter Operations Grant (HSOG) applications
- Awarded \$1,445,011 from the federal government's ESG program
- Awarded \$950,400 from the state's HSOG program
- On behalf of 24 homeless service providers, IFA received a federal grant of \$4,115,856
- IFA received a federal grant of \$354,000 in Housing Opportunities for Persons with AIDS (HOPWA) funding on behalf of five project sponsors.

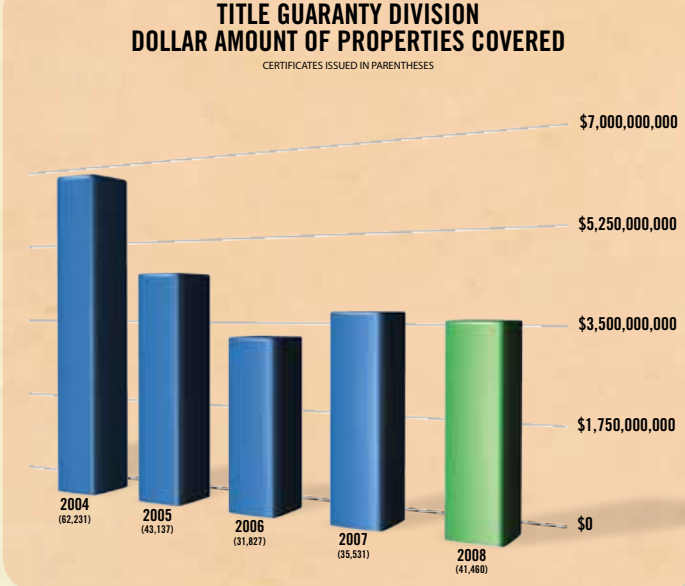
TITLE GUARANTY DIVISION

Title Guaranty helps assure the integrity of Iowa's land-title system, working in partnership with abstractors, attorneys, lenders and real estate professionals. All revenue in excess of operation expenses goes toward homeownership programs for first-time homebuyers.

Title Guaranty offers commitments, certificates and endorsements that provide low-cost title protection for real estate located in Iowa.

In fiscal year 2008, Title Guaranty Division:

- Issued 41,460 certificates, covering nearly \$4 billion worth of Iowa real estate
- Introduced Title Guaranty Commercial Services
- Created New Construction Builder program to facilitate closings for purchasers of newly constructed homes
- Revised Mortgage Release program to increase the value of mortgages that can be released
- Since 1995, Title Guaranty has transferred nearly \$41 million to assist low- to moderate-income home buyers in achieving the dream of homeownership



BOARD MEMBERS	
Deborah L. Petersen, Chair (Council Bluffs)	Walter Murphy, Vice Chair (New Hampton)
Surasee Rodari (Des Moines)	Mitchell Taylor (Burlington)
	Pat Schneider (Des Moines)

Section 8 Contract Administration

This is a Performance-Based Contract for Section 8 Contract Administration of 238 subsidy contracts that provide housing to 12,080 individuals and families in 74 counties.

COMMUNITY DEVELOPMENT RESOURCES

Community Development Loan Program

Through its Community Development Loan Program, the Iowa Finance Authority issues tax-exempt bonds for a wide range of projects. Eligible entities include manufacturing facilities, multifamily housing developers and charitable organizations. All bonds are issued on a conduit basis. The responsibility of repaying the debt rests solely with the borrower.

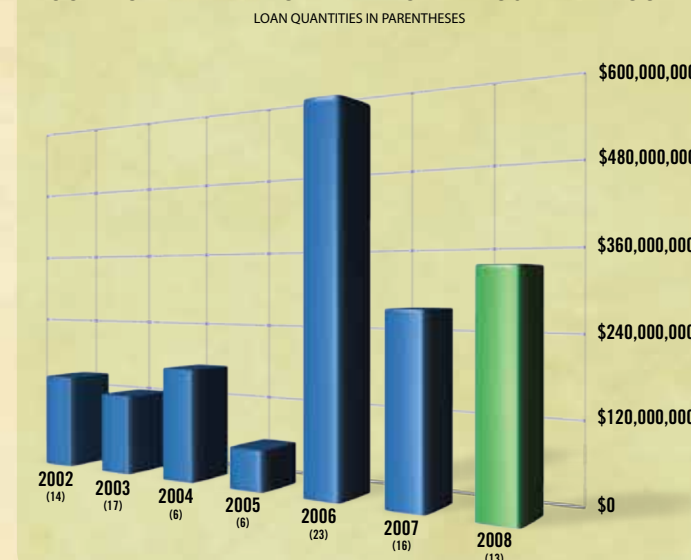
Fiscal Year 2008 Loans

Cone Enterprises, Cedar Rapids	\$10,000,000
Drake University, Des Moines	\$42,700,000
East Center Intergovernmental Association, Dubuque	\$1,400,000
Edgewater, West Des Moines	\$87,445,000
Five Star Holdings, Sanborn	\$5,300,000
Fort Dodge Leased Housing (Wahkansa Manor), Fort Dodge	\$5,500,000
Iowa Health System, various locations	\$150,000,000
Iowa Laser Technology, Cedar Falls	\$3,484,256
Madrid Home for the Aging, Madrid	\$11,660,000
Midwest Metal Products, Cedar Rapids	\$2,000,000
Morningside College, Sioux City	\$3,905,000
PowerFilm, Inc., Ames	\$5,000,000
Sioux City Leased Housing (War Eagle Village), Sioux City	\$6,873,000
Total	\$336,267,256

Private Activity Bond Cap Allocation

In 2008 the State of Iowa received \$262 million of volume cap for allocation to certain private activity bonds. Section 7C of the Iowa Code distributes the State Ceiling among eligible purposes. The distribution of the 2008 State Cap is shown to the right.

COMMUNITY DEVELOPMENT LOAN PROGRAM AMOUNT



Housing	30%	\$78,628,500
Beginning Farmers	21%	\$55,039,950
Industrial	18%	\$47,177,100
Student Loans	16%	\$41,935,200
Job Training	12%	\$31,451,400
Political Subdivision	3%	\$7,862,850
Total		\$262,095,000

WATER QUALITY DIVISION



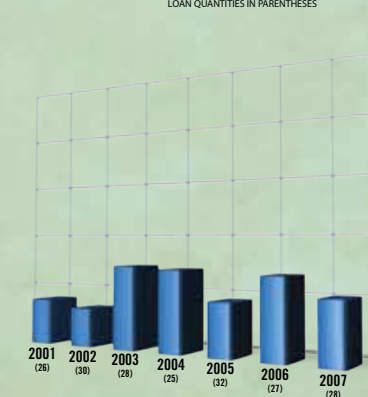
State Revolving Fund (SRF)

The State Revolving Fund tripled investments in Iowa's water in 2008. The previous average of \$60 million in loan commitments each year soared to \$204 million in fiscal year 2008. IFA and the Iowa Department of Natural Resources (DNR) jointly administer the program to assist Iowa communities with the costs of upgrading or constructing local wastewater and drinking water infrastructure projects. More than 300,000 Iowans will benefit from improvements in their drinking water and wastewater infrastructure.

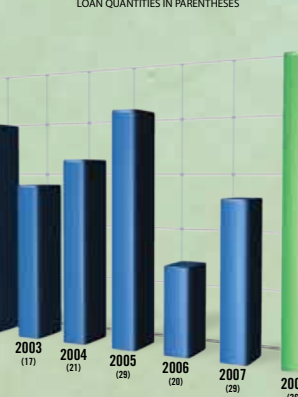
The SRF is one of Iowa's primary sources for financing projects designed to improve Iowa's water quality. Two funds, one for water quality and one for wastewater pollution control, have provided low-cost financing worth almost \$1 billion to Iowa communities, farmers, watershed groups and others.

- The SRF portfolio saw an 18 percent increase to \$594,282,337 in fiscal year 2008.
- Closed 31 clean water loans totaling more than \$112 million, almost twice as much as any previous year.
- Closed 26 drinking water loans, for a record of \$58 million. The previous high was \$44 million in 2004.
- The SRF program helped subsidize more than \$10 million in loans in fiscal year 2008. The projects range from preparing failing septic systems to building buffer strips on farmland to helping clean up urban brownfields.

SRF CLEAN WATER AMOUNT



SRF DRINKING WATER AMOUNT



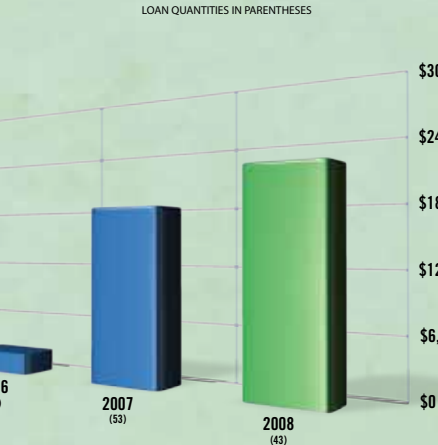
State Revolving Fund Construction Loan Program

State Revolving Fund (SRF) Construction Loans are offered at three percent interest for up to 30 years to fund the creation of public drinking water and wastewater infrastructure projects for cities and utilities.

Fiscal year 2008:

- Closed 31 clean water loans totaling \$112,141,000

SRF PLANNING & DESIGN LOAN AMOUNT



The Iowa Finance Authority Board of Directors has approved more than \$55 million in Planning and Design loans for more than 170 Iowa communities. In FY2008 alone, 50 communities were approved for more than \$23 million. Typically, costs associated with planning and designing a water infrastructure project amount to about ten percent of total project costs.



Livestock Water Quality Program

The Livestock Water Quality program offers low-interest loans through participating lenders to Iowa livestock producers for manure-management plans, structures and equipment to prevent, minimize or eliminate nonpoint source pollution of Iowa's rivers and streams from animal feeding operations. The Soil and Water Conservation Districts administer this program with oversight by the Department of Agriculture and Land Stewardship and the Division of Soil Conservation. IFA acts as the financial agent.

Fiscal year 2008:

- 75 loans for a total of \$6,916,791



Local Water Protection Program

The Local Water Protection program offers low-interest loans through participating lenders to Iowa landowners for projects to control the runoff of sediment, nutrients, pesticides or other nonpoint source pollutants from entering Iowa waters. The Division of Soil Conservation of the Iowa Department of Agriculture and Land Stewardship administers the program through its local Soil and Water Conservation Districts. IFA acts as the financial agent.

Fiscal year 2008:

- 322 loans for a total of \$5,096,256

Onsite Wastewater Assistance Program

The Onsite Wastewater Assistance program offers low-interest loans through participating lenders to rural homeowners for the replacement of inadequate or failing septic systems. According to Iowa law, all septic systems, regardless of when they were installed, must have a secondary wastewater treatment system following the septic tank. IFA acts as the financial agent and the Iowa Department of Natural Resources administers the program in cooperation with County Sanitarians.

Fiscal year 2008:

- 128 loans for a total of \$965,774



Stormwater Loan Program

The Stormwater Loan program offers low-interest loans through participating lenders for projects to control stormwater runoff. Projects range from soil quality restoration, native landscaping, detention basins, ponds or wetland systems, grassed waterways or other practices that are shown to improve or protect water quality. IFA acts as the financial agent.

Fiscal year 2008:

- 3 loans for a total of \$584,126



General Nonpoint Source Program

An annual report is a time for reflection. The looming threat of home foreclosures, the worst series of natural disasters in Iowa's history, and the onset of a recession made 2008 the most challenging year in memory to many Iowans. Yet Iowans are not defined by tough times, but rather how they respond by pulling together to preserve and strengthen their communities.

The board, staff and partners of the Iowa Finance Authority (IFA) have worked hard to contribute to those efforts. All told, IFA and its partners approved or provided almost \$1 billion in loans, grants and various benefits to Iowa's citizens and communities during the months of fiscal year 2008. IFA's Annual Report is designed to provide a roadmap of those investments. Please be sure to read the reverse side of the map. Some highlights of the year include the following:

An initiative of the Iowa Attorney General to assist homeowners avoid foreclosure was expanded through a grant obtained by the Iowa Finance Authority. This partnership, better known as Iowa Mortgage Help, has received more than 12,000 calls and assisted 3,500 homeowners. Assistance ranges from homeownership counseling to intervening on behalf of the homeowner with the mortgage servicer.

The Jumpstart Iowa initiative of the Culver-Judge administration provided much-needed funds to flood victims. Along with the Rebuild Iowa Office and local administrators, IFA worked to distribute \$20 million of state funds during the fall of 2008 to help homeowners recover. Technically a fiscal year 2009 activity, it is included here due to its timeliness.

Working closely with the Department of Natural Resources and local officials, IFA is pleased to report the State Revolving Fund, which assists communities in financing affordable drinking and clean water quality projects, tripled investments in Iowa's water to more than \$200 million, for a record-breaking year in fiscal year 2008. These investments in Iowa's water systems will benefit Iowa's environment and economy for years to come.

I would like to take this opportunity to recognize and thank the board, staff and partners of the Iowa Finance Authority for their outstanding commitment and contribution to a stronger Iowa. It is an honor indeed to serve our great state with you.

Sincerely,

Bret L. Mills
Bret L. Mills
Executive Director

WATER QUALITY DIVISION

The citizens of Stacyville benefit from using SRF since it allowed the City to make necessary improvements to the infrastructure. It was easy to apply. The City built a water tower, drilled two wells and installed 26 blocks of water mains. A much better distribution system is in place and the citizens are happy with the increased pressure and water volume. I am very happy with the SRF program.

-Harlan Bisbee, City Clerk, Stacyville

MILITARY SERVICE MEMBER HOMEOWNERSHIP ASSISTANCE PROGRAM

I heard about IFA's Military Service Member Homeownership Assistance program after returning home from a tour in Iraq. After finding a house in Ankeny I was interested in purchasing. I met with a participating lender, as well as Judy at IFA. We filled out a single sheet of paper and that was it. The mortgage was approved and with my matching funds, my final purchase price was reduced by \$10,000.

-Todd Aarhus, Ankeny

LOW-INCOME HOUSING TAX CREDIT PROGRAM



Sanctuary Apartments was developed for single parents who have completed treatment for drug or alcohol addiction and have happily reunited with their children. Ashley and her son Nathaniel, six months, have been in the facility for several months. They continue their journey toward success by regularly meeting with a caseworker.

-Ashley Machia and Nathaniel
Sioux City

IOWA MORTGAGE HELP



After I was laid off from my job and I had my first child, I knew I was in a bad position. When my lender started foreclosure proceedings, Iowa Mortgage Help got involved. This program took my interest rate from 10.95% to 6% and now my taxes are current. The process was very smooth and my rep stayed in contact with me, and even afterwards called to make sure everything was going okay.

-Zakiya Jenkins
Des Moines

WATER QUALITY DIVISION



The State Revolving Fund was an excellent tool for the City of Shenandoah to finance the mandated improvements to the Waste Water Treatment Facility. It provided the lowest interest rate loans available in order to save our citizens money on their utility bill. The new plant will work within mandated guidelines to serve the citizens of Shenandoah in a much more efficient manner.

-Marcia McKay, City Clerk/Treasurer
Shenandoah

LOW-INCOME HOUSING TAX CREDIT PROGRAM

Ruth and Alwin moved into the "Rose of Waterloo" February 19, 2008, because Ruth was having trouble climbing the steps in their home. Giving up their home was hard, but they've found a new home that offers them everything they need to continue their life together. "When we came through the front door on our first visit, we knew it was home. It's like a part of our family."

-Alwin and Ruth Berry, Waterloo

FIRSTHOME

When I was buying my first home, I was scared and confused. I didn't really know what to do or how to get things going. I didn't have any extra money saved for a down payment. That's when the bank explained how the FirstHome program worked and made my dream of owning my own home a reality.

-Mike Greenslaugh, Keokuk

DISASTER RECOVERY LOAN



During the time that I was homeless right after the flood, all I could think about was that I wanted to go home. Then, I heard about IFA's program. It was simple and easy. I lost my other house from the flood June 12 and closed on my new house October 2. The loan made it possible for me to get on with my life when I felt like there was no hope. Now, thanks to the program, I can come home.

-Karen Hobert
Cedar Rapids

TITLE GUARANTY



Title Guaranty provides peace of mind to my clients so that they will be well protected regarding the integrity of the title to one of their most important assets, their home. I am proud to work with and partner with Title Guaranty to better serve my clients and customers while helping to maintain great quality real estate titles in Iowa.

-Steve Anderson
Hawkeye Title & Settlement
Iowa City

IOWA MORTGAGE HELP



In August 2006 my husband and I were notified by the mortgage company that our rate was going to adjust. I contacted them about looking in a rate, only to be told that they wouldn't be able to help. Our house payment went up \$700/month. We struggled to put gas in our vehicles to get to work and to buy groceries. Then, a friend gave me the number to Iowa Mortgage Help. We are convinced that without the vast knowledge and assistance of Iowa Mortgage Help, we would have lost our home.

-John & Andrea Davison
De Witt

BOARD MEMBERS

Roger Caudron, Chair
(Sioux City)

Carmela Brown, Treasurer
(Urbandale)

Heather Armstrong
(Cedar Rapids)

Virginia Bordwell
(Washington)

Douglas Walter, Vice Chair
(Bettendorf)

Steve Adams
(Red Oak)

Darlys Baum
(Burlington)

Wilfred Johnson
(Waterloo)

David Erickson
(Des Moines)